

DRAFT



**Third
IMPLEMENTATION PLAN
(Fiscal Year 2005 – Fiscal Year 2009)**

**for the
CITY HEIGHTS REDEVELOPMENT
PROJECT**

Adopted: _____

The Redevelopment Agency of the City of San Diego Third City Heights Redevelopment Implementation Plan

Kensington, Talmadge, Normal Heights and City Heights already proudly bear a reputation for excellence earned by their residents through dedication to community, to themselves, and to each other. City Heights is moving rapidly toward reinventing itself and restoring the grandeur, glamour, and greatness it once bore. This plan is dedicated to that cause, those goals, and the proud residents who will make it happen.

Kensington, Talmadge, Normal Heights, and City Heights are proud communities made up of diverse residents, businesses, and stakeholder organizations. They reflect the global community, speaking more than 30 languages. Residents and stakeholders are also teachers, students, children, professionals, hourly laborers, advocates, retirees, and families. Diversity gives strength and the commitment to community betterment makes them formidable.

The communities have strained over the years with density, and deficient infrastructure and services such as parks, schools, sewer, water, libraries, police and fire service, to name a few. These deficiencies in conjunction with communities that have a higher than average number of Low and Very Low income families have created blight conditions.

I. INTRODUCTION

This Third Implementation Plan (the “Plan”) for the City Heights Redevelopment Project is being prepared and adopted in accordance with the requirements and guidelines of California Community Redevelopment Law. This Plan identifies the goals, objectives, anticipated revenues, project, and program activities planned for the five years beginning July 1, 2004 and ending June 30, 2009.

The City Heights Redevelopment Plan was adopted May 11, 1992. The First City Heights Redevelopment Project Implementation Plan was adopted by the City of San Diego Redevelopment Agency as Document No. 02142 July 18, 1994. The First Implementation Plan was amended to reflect the first amendment to the City Heights Redevelopment Plan, which amended the boundaries of the Project Area and provided for development of the City Heights Urban Village Project. That First Amended Implementation Plan was adopted by the Redevelopment Agency, as Document No. 02594, April 2, 1996. The Second Implementation Plan was adopted by the Redevelopment Agency, as Document No. R-03033 September 14, 1999.

The Mid-City Communities Plan will guide redevelopment efforts undertaken by this 5-year implementation plan. A Planned District Ordinance (PDO) was adopted by the City Council to carry out the community plan. Subsequently, two Revitalization Action Programs (RAP) were written, one for Euclid Avenue and another for Azalea Park/Hollywood Park to further refine the goals of the community plan. All Redevelopment projects will comply with the adopted land use plans.

During the past five years numerous projects and programs have been implemented to address the conditions of blight within the City Heights Redevelopment Project Area and achieve the goals and objectives of the Redevelopment Plan. Some of the accomplishments have been carried out by the City of San Diego and its Redevelopment Agency (Agency). Projects have also been carried out by other agencies and organizations, with or without City and Agency financial and other supports. Cooperative efforts have been successful in the accomplishment of the following projects:

CityLink

Completion of Phase Four of the Urban Village Project, including a community shopping center anchored by grocery store and convenience services center.

Community College District

Completion of Phase Three of the City Heights Urban Village Project, including a Community College District Adult Education Center.

Private Development

The Regional Transportation Center project is a new facility located at the southeast corner of El Cajon Boulevard and State Route 15, including an automobile showroom, service facility and fueling stations for motor vehicles that use a wide variety of conventional and alternative fuels. The project also includes an educational center operated by a non-profit foundation that provides educational field trips for middle school and high school students as well as adult vocational training on environmental issues and alternative fuel vehicle technologies.

Redevelopment Agency

All of the City Heights Urban Village projects have been directly assisted with tax increment and/or other Agency and city funding. A number of other redevelopment projects have been undertaken during the past five years as well. Projects that have involved direct Agency management and/or funding include the following:

The Agency approved approximately \$3.85 million in housing set-aside tax increment funding for the construction of the Talmadge Senior Village project that is planned to construct 90 new housing units at affordable rents to Very Low income senior citizens. The project will also include commercial lease space along El Cajon Boulevard, public activity rooms and underground parking.

The Agency provided \$655,000 in housing set-aside funding for the Home in the Heights homebuyer assistance program. To date 12 silent second mortgage loans have been issued through this program for purchase of homes within the Project Area. The Agency also provided \$1,020,000 in housing set-aside funding for a new homeowner rehabilitation assistance program. To date 60 homeowners have signed up and are being processed for silent second mortgage loans to assist home rehabilitation within the Project Area.

The Agency provided \$50,000 in funding to assist the installation of a major streetscape improvement project on University Avenue between the I-805 freeway and Wilson Avenue and provided \$100,000 in funding to assist the installation of sidewalks and other streetscape improvements on Euclid Avenue at the intersection of Home Avenue.

The Agency also funded and managed the preparation of a master plan for the Central School area. In addition, the Agency provided funding assistance and technical support for the City Heights Model School initiative, which resulted in the formation of a joint powers authority authorized to manage the development of a comprehensive neighborhood improvement project surrounding a new elementary school within the Project Area and assisted the preparation of concept plans and development feasibility studies for the proposed Model School project.

The Agency funded transportation planning with a Site Description and Market Assessment study for the State Route 15 Mid-City Corridor.

San Diego Revitalization Corporation (SDRC)

Phase Five of the City Heights Urban Village Project that includes a 120,000 square foot six-story office building, 116 townhomes with 34 units restricted at rents affordable to occupants of Very Low income, a Head Start childcare center and a 490 car parking structure, with up to 90 spaces reserved for community college students was completed.

San Diego WorkForce Partnership

The Metro Career Center is a new 80,000 square feet four story office building that houses the Workforce Partnership job training and placement program as well as a child care center and various private commercial uses. The project was developed in conjunction with the Metro Villas housing project that includes 120 units of family housing with restricted rents affordable to Very Low income tenants. The Career Center and housing project share a 490 space parking structure.

The following list of projects have been carried out within the Project Area during the five year time period without Redevelopment funding assistance.

California Department of Transportation

Construction of the State Route 15 Freeway Project, cut and cover decks and other attendant community improvements, including Park de la Cruz and Teralta Park was completed.

San Diego Unified School District

The San Diego Unified School District has selected the sites, completed property acquisition and design of four (4) new elementary schools in the City Heights Community (Cherokee Point, Florence Griffith Joyner, Mary Fay, and Herbert Ibarra elementary schools).

City of San Diego

Construction of significant public improvements has occurred along University Avenue, El Cajon Boulevard, and other local streets within the Project Area. The improvements have included landscaped medians with automatic irrigation, new sidewalks, street reconfigurations, new decorative street lighting, street trees, street paving, decorative pedestrian crosswalks, new fencing, and the completion of the Mid-City Pipeline, a major new water service line and related improvements.

San Diego Housing Commission, Neighborhood Non-Profits, and Lending Institutions

Numerous housing assistance programs were provided within the Project Area by local private non-profit organizations, most notably the City Heights Community Development Corporation, San Diego Revitalization Corporation and Community HousingWorks. Washington Mutual, Bank of America, State Farm Insurance, and Union Bank of California all made substantial contributions to first time home buyer programs and neighborhood revitalization programs. These programs included the acquisition and rehabilitation of blighted housing units, painting and repair of nearly four hundred deteriorated housing units, and provision of first time home buyer financing assistance programs for low income residents within the Project Area.

Additional improvements within the City Heights Project Area were achieved through the sustained volunteer efforts of numerous residents, local neighborhood organizations, and business associations. A notable positive impact has occurred within the community as a result of the collective efforts of volunteers. The accomplishments in this area are difficult to quantify, but can be seen through the establishment of the City Heights Business Association and the success of ongoing programs such as the Taste of City Heights, annual City Heights International Village Celebration festival, Mid-City Community Advocacy Network (CAN) social services coalition, collaborations involving San Diego State University, University of California at San Diego, local public schools and community organizations, development of a new Copley YMCA gymnasium, various neighborhood cleanups, voluntary code compliance programs, Neighborhood Code Compliance, Project CLEAN and graffiti cleanup programs, neighborhood watch and patrol programs, and Neighborhood Face Lift event.

II. DESCRIPTION OF PROJECT AREA BLIGHTING CONDITIONS

The City Heights Redevelopment Project Area continues to exhibit conditions and characteristics of physical blight, depressed economic conditions and social disparity as defined in California Redevelopment Law (CA Health and Safety Code Sections 33030-33039). Specific items include:

- 1) Lot size and configuration problems that prevent private redevelopment efforts from putting the lots into useful service;
- 2) Deficient maintenance of residential and commercial buildings and grounds, resulting in physical deterioration, structural damage, poorly functioning plumbing, electrical and heating facilities and unsightly and unsanitary conditions;

- 3) Preponderance of old structures that do not meet current building and zoning codes;
- 4) Vacancies and marginal uses of commercial properties;
- 5) Overcrowded conditions at local schools;
- 6) Overcrowded residential units resulting from multiple families sharing single units;
- 7) High incidence of overall residential transiency and a low rate of home owner occupancy;
- 8) Higher crime rates than Citywide and region-wide averages;
- 9) A relatively high proportion of residents having low incomes and being either unemployed or under-employed;
- 10) A local area deficiency in park and recreation facilities relative to City of San Diego General Plan standards;
- 11) Deterioration of infrastructure facilities installed with the original development of the area, as much as 80 years ago, resulting in insufficiencies and widespread deteriorated conditions in streets, alleyway pavings, storm drains, sidewalks, lighting and landscaping;
- 12) Population growth overtaxing public facilities such as community clinics, recreation facilities, transportation infrastructure, water service and educational facilities.

III. SPECIFIC GOALS AND OBJECTIVES OF THE REDEVELOPMENT AGENCY FOR THE PROJECT AREA

Priority Goal -- Improve Housing

Programs and projects that are of particular importance under this general goal include:

- Improve existing housing in the project area while preserving the look and feel of single family neighborhoods including support for repair and rehabilitation programs;
- Support City Council Policy 600-19 (Fostering Balanced Community Development for the City of San Diego) to achieve a balanced distribution of housing opportunities to all income groups equitably throughout the City;
- Support a balance of housing types such as small family, senior, large family, attached, and detached housing both rented and owned;

- Support the increase of home ownership in the Project Area through such programs as first time home buyer assistance, conversion of apartments to owned units, assistance programs for current residents and people displaced by public projects, targeted marketing, and others;
- Promote good management of rental housing through problem identification, communication, education, financial assistance and positive collaboration with property owners, property managers, tenants, and service agencies and City departments such as police, code enforcement, neighborhood watch, local schools and community organizations;
- Residents displaced by redevelopment projects should be encouraged to make use of available housing assistance programs, particularly first time home buyer assistance programs.

Priority Goal -- Improve Residential Neighborhood Character

Programs and projects that are of particular importance under this general goal include:

- Increase public awareness of community identity by physically improving and defining community boundaries and entryways, preserving the identity of separate neighborhoods and promoting the positive characteristics of the area;
- Reduce visible physical blight;
- Preserve, rehabilitate, and enhance canyons;
- Support and improve all types of signage including commercial, street, identification, and gateway;
- Wherever possible support the identification and preservation of historical objects, buildings, architectural style, and the neighborhood context;
- Encourage public art inclusion in new projects and support public art projects, especially those endorsed by the local community;
- Establish the creation or enhancement of neighborhood gateways, landmarks, streetscapes, sidewalks, and lighting.

Priority Goal -- Support Commercial Improvements and Enhance the Business Neighborhood Character.

Programs and projects that are of particular importance under this general goal include:

- Attract, retain, and improve local businesses, especially those serving basic needs of residents and those attracting customers from elsewhere.
- Support the creation of living wage and professional jobs;
- Upgrade streetscapes and improve pedestrian access and encourage the use of public transit, in the commercial areas;
- Support employment projects and programs such as job training, placement assistance, and retention, as well as fostering incubator and home based businesses that are non-intrusive to residential neighborhoods;
- Support improved communication and coordination with business leaders of all ethnic backgrounds;
- Support the development of high quality, transit oriented, mixed-use commercial, residential, office and public use projects near transportation nodes;
- Viable businesses, particularly those providing essential goods and/or services, that are displaced by redevelopment projects should be assisted to relocate within the local community;
- Support programs to encourage maintenance and upkeep of private and public properties and facilities in accordance with with code requirements;
- Encourage commercial improvements that support a theme, or identity statement;
- Support the creation of adequate parking and shared use parking.

Priority Goal - Improve infrastructure and install other needed public facilities

Activities and objectives of particular importance under this goal are as follows:

- Support the development of needed schools, parks and recreation amenities in the community;
- Encourage the City and the School District to increase the quantity, quality, and usefulness of joint-use facilities, such as recreational facilities, meeting rooms, and library facilities;

- Reduce the negative impacts of motor vehicle traffic, implement traffic calming measures and improve pedestrian and bicycle amenities throughout the community;
- Support public transit and amenity improvements that have the backing of the affected community, and which increase access;
- Increase public parking availability in the commercial areas including transit-oriented mixed use projects. Provide adequate employee and customer parking, and oppose reductions of on-site parking required in residential areas;
- Support the development of multi-use community centers;
- Combine and effectively integrate infrastructure improvement projects, including utility undergrounding, with private improvements and new private development projects;
- Support the completion and improvement of residential sidewalks.

Priority Goal -- Support interactive public-private partnerships for planning and implementing improvements within the Project Area

Programs and projects that are of particular importance under this general goal include:

- Support collaborative efforts in the planning and implementation of redevelopment projects and programs with the appropriate local community representative organizations, including, but not limited to, the Project Area Committee, if one exists, local area planning committees, and local business improvement associations;
- Combine and effectively integrate infrastructure improvement projects, including utility undergrounding, with private improvements and new private development projects;
- Support the improvement of communication and coordination with residents of all ethnic groups;
- Support the efforts of local residents and business owners to organize themselves and work towards the improvement of the community;
- Invest tax increment revenues in the separate communities of City Heights, Normal Heights, Kensington and Talmadge;
- Support programs to encourage maintenance and upkeep of private and public properties and facilities in accordance with municipal code requirements;
- Promote cooperative programs and facilities, which link and integrate libraries, schools, recreation centers and private development projects;

- Support projects and programs such as street lighting, neighborhood watch programs, strategic code enforcement, gang diversion, landlord and tenant responsibility, and defensible space design of projects, which enhance public safety;
- Support the coordination and efficient delivery of services to meet the social needs of a culturally diverse population;
- Support commercial development, business establishment, creative design and cultural events that reflect a diverse population;
- The redevelopment program should be task and accomplishment oriented. In keeping with this goal, creative projects should be identified, pursued and later reviewed for possible replication;
- Support appropriate joint ventures with Crossroads Redevelopment Project and the North Park Redevelopment Project.

IV. SPECIFIC PROJECTS AND EXPENDITURES PROPOSED TO BE MADE DURING THE NEXT FIVE YEARS

The City Heights Redevelopment Project Area has experienced significant increases in assessed values and tax increment during the past five-year period. It is anticipated the rise in property values will continue over the next five years. Table 1, "City Heights Tax Increment Revenues and Mandatory Allocations FY 2000-FY 2009", shows the historical revenues and mandatory allocations for the past five years and estimated revenues and mandatory allocations for the next five years.

Table 1
City Heights Tax Increment Revenues
And Mandatory Allocations FY 2000 - FY 2009

Fiscal Year	Gross Tax Increment	Taxing Agency Pass-Throughs	Housing Set-Aside T. I.	Remaining Discretionary T.I.Funds
2000	286,679	7,499	57,336	221,844
2001	1,177,155	194,369	235,431	747,355
2002	2,591,038	513,765	518,208	1,559,065
2003	4,649,326	1,525,072	929,865	2,194,389
2004	6,019,828	1,960,237	1,203,966	2,855,625
2005	6,691,000	2,161,193	1,338,200	3,191,607
2006	7,025,000	2,249,274	1,405,110	3,370,616
2007	7,376,828	2,353,316	1,475,366	3,548,146
2008	7,745,669	2,360,983	1,549,134	3,835,552
2009	8,132,952	2,472,098	1,626,590	4,034,264

As shown in the Table 1, the projected tax increment revenues are classified in three categories - pass through, housing set-aside, and the remaining discretionary tax increment funds. The housing set-aside fund must be used to support programs to assist the provision and improvement of affordable housing for Very Low, Low and Moderate income residents. It is required that at least 20 percent of total tax increment revenues received be segregated in the housing set-aside account. The discretionary tax increment revenues can be used for any projects, programs or activities allowed under California Community Redevelopment Law.

Of the discretionary tax increment funds projected to be received over the next five years by the Agency, much is already pledged to service debt for the City Heights Urban Village Commercial Development Project, the City Heights Urban Village Library, Park Project, and City Heights Urban Village Police Sub-Station Project financings. In addition, a portion of tax increment will be used to pay state mandated obligations to the Educational Revenue Augmentation Fund (ERAF); \$150,000 is budgeted for Fiscal Year 2005. The impact on available funds by ERAF in future years is unknown, however it is assumed to continue at the current level.

The projected discretionary tax increment revenue, debt service and ERAF obligations and net available discretionary tax increment funds are included in the Table 2, "Projected Discretionary Tax Increment Funds Debt Service and State ERAF Obligations FY 2005 – FY 2009," below:

Table 2
Projected Discretionary Tax Increment Funds
Debt Service And State Eraf Obligations
FY 2005 - FY 2009

Fiscal Year	Remaining Discretionary Tax Increment (From Table 1)	Debt/ERAF Obligations	Unobligated Discretionary T.I. Funds
2005	3,191,607	1,190,270	2,001,337
2006	3,370,616	1,440,718	1,929,898
2007	3,548,146	1,955,227	1,592,919
2008	3,835,552	2,224,019	1,611,533
2009	4,034,264	1,150,893	2,883,371

As a result of tax increment revenue sharing agreements entered into by the Redevelopment Agency at the time of adoption of the City Heights Redevelopment Plan, a portion of total tax increment funds generated from the Project Area will go to various local taxing agencies for their use in accordance with the agreements. The agreements stipulate that most of these funds must be spent on improvements within the City Heights Redevelopment Project Area. These agreements were approved by the Redevelopment Agency on April 28, 1992 and are recorded as Redevelopment Agency Documents numbers 1901, 1902, 1903, and 1904.

Table 3, “Projected Tax Increment Revenues Projected To Be Passed Through To Other Taxing Entities For FY 2000 - FY 2004,” below, illustrates the amount of the pass-through payments projected to be paid to each individual taxing agency over the next five years.

Table 3
Projected Tax Increment Revenues Projected To Be Passed
Through To Other Taxing Entities For Fy 2000 - Fy 2004

Fiscal Year	County of San Diego	City Schools	Community Colleges	County Office Of Education
2005	806,651	924,352	398,088	40,055
2006	836,449	958,497	412,793	41,535
2007	875,139	1,002,834	431,887	43,456
2008	915,983	1,049,637	349,879	45,484
2009	959,092	1,099,036	366,345	47,625

A housing set-aside bond was issued by the Redevelopment Agency for the City Heights Redevelopment Project in Fiscal Year 2003 in the amount of \$5,175,000. The bond proceeds were earmarked to fund the following projects/programs: Talmadge Senior Village project, Housing Rehabilitation Assistance Program, Home in the Heights First Time Homebuyer Assistance Program, and the Metro Villas Project. A portion of the future annual housing set-aside tax increment revenues will be obligated to cover this bond debt service obligation. An additional debt service obligation of the City Heights redevelopment housing set-aside funds is a thirty year loan for \$5,115,000 that the Agency received from the developer of the City Heights Urban Village Townhomes project for the provision of 34 units affordable to Very Low income tenants. Table 4, “Projected Housing Set Aside Tax Increment Funds Debt Service Obligations FY 2005 - FY 2009,” below, illustrates the projected annual Low and Moderate income housing set-aside revenues, total debt service obligations and unobligated balance of housing set-aside funds for the next five years.

Table 4
Projected Housing Set-Aside Tax Increment Funds
Debt Service Obligations FY 2005 - FY 2009

Fiscal Year	Housing Set-Aside Tax Increment	Debt Service Obligations	Unobligated Housing Set-Aside. T.I. Funds
2005	1,338,200	510,480	827,720
2006	1,405,110	407,635	997,475
2007	1,475,366	406,113	1,069,253
2008	1,549,134	404,363	1,144,771
2009	1,626,590	407,310	1,219,280

All of the numbers stated for future years in the above tables are estimates based on the County Tax Assessors projections.

FIVE YEAR PROJECTS SCHEDULE

In the first two phases of this Redevelopment Plan the project area concentrated on large development to the exclusion of small projects. This was done in order to create a sense of place and an urgency in the project area. The third phase intends to create a better balance between large and small projects.

Limited but adequate revenues are projected to be available in the 2005-2009 implementation period. It is the intention of the Agency to support the community revitalization efforts of existing groups and use alternative resources both public and private. Potential sources of revenues include: Federal Community Development Block Grants, Federal Transportation Equity Act; Title 21 (TEA-21) Grants, local TransNet Sales Tax transportation funding, state Grants, other federal grants, private developer contributions, and other agency contributions.

Proposed projects and programs to be pursued during the next five years are identified in Table 5, "Program and Project Matrix FY 2005- FY 2009," below. The Matrix is divided into six categories. Line items within the categories are cross-linked due to the interrelated nature of this Implementation Plan.

Table 5
Program and Project Matrix FY 2005 – FY 2009

IMPROVE HOUSING		
Project/Program	Description	Fiscal Year
Child Care	<ul style="list-style-type: none"> • Include child care facilities in large residential projects 	2005-2009
Education	<ul style="list-style-type: none"> • Support mediation services and use all reasonable efforts to include Landlord/Tenant education within Owner Participation Agreements and Disposition and Development Agreements • Fund home buyer programs, including financial literacy, that serve a diverse population 	2005-2009
Fund Balance of Housing Types	<ul style="list-style-type: none"> • Balanced housing includes, attached, detached, family, senior, and disabled both rented and owned 	2005-2009
Home Ownership Programs	<ul style="list-style-type: none"> • Home in the Heights Homebuyers Assistance Program • First Time Buyers Programs 	2005-2009
Improve Existing Housing	<ul style="list-style-type: none"> • Cooperate with the city to utilize, maintain, and increase code enforcement activities to eliminate blight • Housing Rehabilitation Assistance Program • Acquisition/rehabilitation of deteriorated housing • Residential façade improvement program • Lead Abatement 	2005-2009

NEIGHBORHOOD CHARACTER		
Project/Program	Description	Fiscal Year
Alley Improvements	<ul style="list-style-type: none"> Dirt alleys and paper streets throughout Project Area should be aesthetically improved 	2007-2009
Code Compliance	<ul style="list-style-type: none"> Cooperate with the City to utilize, maintain, and increase code enforcement activities sited in the community to eliminate blight 	2005-2009
Community Promotion	<ul style="list-style-type: none"> Adopt themes and guidelines consistent with marketing and historical context in support of individual neighborhoods. Create marketing tools highlighting the neighborhoods history and unique characteristics 	2005-2009
Euclid Avenue	<ul style="list-style-type: none"> Foster the removal of blight conditions and increase public safety by funding sidewalk completion and repair, traffic calming for pedestrian accomodation, landscaping in parkways and curb extensions, lighting both pedestrian and vehicular, and construction of neighborhood entryways as appropriate 	2007-2009
Graffiti and Trash Abatement	<ul style="list-style-type: none"> Fund neighborhood facelifts Include penalties and incentives within Development and Disposition Agreements, and in Owner Participation Agreements 	2007-2009
Green Buildings	<ul style="list-style-type: none"> Encourage projects that ensure energy efficiency 	2006-2009
Historic Preservation	<ul style="list-style-type: none"> Support the designation and restoration of historic structures within and adjacent to the City Heights Redevelopment Project Area where findings of benefit can be made, such as: Euclid Tower, Egyptian Garage, Silverado Ballroom, Police Pistol Range, Bekins Storage, Castle Homes, Islenair Historic District, Talmadge Historic District; additional historic structures are contained on the Project Area EIR 	2006-2009
Landscaping and Street Trees	<ul style="list-style-type: none"> Install in all parkways, medians, and pavement cutouts where possible 	2005-2009
Neighborhood Gateways	<ul style="list-style-type: none"> Establish distinct neighborhood markers and signage to identify community segments and foster self-promotion 	2005-2007
Neighborhood Pocket Parks	<ul style="list-style-type: none"> Work with the community to identify potential pocket park sites and develop passive and recreational opportunities 	2007-2009

NEIGHBORHOOD CHARACTER		
Poplar Street	<ul style="list-style-type: none"> Foster the removal of blight conditions while strengthening neighborhood identity and public safety by funding traffic calming, parkways, landscaping, public art and neighborhood entryways as appropriate 	2005-2009
Public Art	<ul style="list-style-type: none"> Public art in various areas 	2005-2007
Sidewalk Installation and Repair	<ul style="list-style-type: none"> Identify and install where needed Design should include parkways for pedestrian safety 	2005-2009
Street Lighting	<ul style="list-style-type: none"> Improved street lighting where needed for aesthetics and safety 	2005-2009
Universal Design	<ul style="list-style-type: none"> Adopt Universal Design principles to ensure a comprehensive design to enable people of all abilities 	2005-2009
Urban Forestry	<ul style="list-style-type: none"> Install trees and where necessary, irrigation in pavement cut-outs, canyons and public green spaces 	2005-2009

COMMERCIAL IMPROVEMENTS		
Project/Program	Description	Fiscal Year
Art District	<ul style="list-style-type: none"> Develop arts district and supporting businesses to foster economic growth 	2005-2009
Business Façade Improvement	<ul style="list-style-type: none"> Implement façade improvement program and marketing in all business locations throughout project areas 	2005-2009
Code Compliance	<ul style="list-style-type: none"> Cooperate with the City to utilize, maintain, and increase code enforcement activities sited in the community to eliminate blight 	2005-2009
Commercial Promotion	<ul style="list-style-type: none"> Adopt themes and guidelines consistent with marketing and/or a historical context in support of individual commercial areas Create marketing pamphlets highlighting the commercial areas history and unique characteristics 	2005-2009
El Cajon Boulevard	<ul style="list-style-type: none"> Encourage high quality mixed-use development Continue development of streetscape improvements and the center median enhancement Create appropriate joint ventures with Crossroads and North Park Redevelopment Projects 	2006-2009

COMMERCIAL IMPROVEMENTS		
Euclid Avenue	<ul style="list-style-type: none"> • Attract small scale mixed use redevelopment consistent with unique zoning • Streetscape improvements consistent with Euclid Avenue Revitalization Action Program • Create appropriate joint ventures with Crossroads Redevelopment Project 	2005-2009
Fairmount/43 rd couplet	<ul style="list-style-type: none"> • Encourage high quality mixed-use development • International Market Place 	2005-2009
High Quality Mixed-Use Development	<ul style="list-style-type: none"> • Create and support quality mixed-use facilities, which can include residential, commercial, office, education and public facilities. The following is a list of potential locations for mixed use projects: • Central School remainder parcel, NW corner of 52nd and University • Fairmount and University • 40th and University • I-805/University, Pilot Village Phase I – Normal Heights • Pilot Village Phase II – Kensington • I-805/El Cajon Blvd Old Albertson site • Smart & Final site • 54th & El Cajon Blvd • International Market Place and other commercial sites 	2005-2009
Historic Preservation	<ul style="list-style-type: none"> • Create new uses for older structures that preserve historical significance 	2005-2009
Job Creation	<ul style="list-style-type: none"> • Job creation study and implementation Plan • Attract and foster the expansion of businesses that create higher paying jobs for local residents, such as technology, medical, manufacturing and others 	2005-2009
Medical Facilities	<ul style="list-style-type: none"> • Attract quality health care facilities to serve all segments of the community • Attract market rate medical facilities into the community • Create appropriate joint ventures with Crossroads and North Park Redevelopment Projects 	2005-2009
Parking	<ul style="list-style-type: none"> • Parking capacity studies where needed concentrating on Landis to Meade, to alleviate the shortage of parking 	2005-2009

COMMERCIAL IMPROVEMENTS		
Public Art and Beautification of Public Spaces	<ul style="list-style-type: none"> • Placement in new projects • Include public art in existing projects • Street furniture, such as decorative bus benches, trash receptacles, seating areas, and public shade/weather covers • Pedestrian plazas 	2005-2009
Public Signage	<ul style="list-style-type: none"> • Public “City Heights” sign on public right of way • Improve signage of all types including street name signs, community entry way signs, and informational signage 	2005-2009
Streetscape Improvements	<ul style="list-style-type: none"> • Design and construct public improvements including sidewalks, lighting, landscaping, and street furniture 	2005-2009
University Avenue	<ul style="list-style-type: none"> • Encourage high quality mixed-use development • Continue phasing streetscape improvements • Demonstration Self-Improvement Block • Create an urban plaza including historic restoration at the Euclid Avenue intersection • I-805/University evaluate gateway and traffic assessment • Remove gunite wall at University and 54th Street, stabilize and vegetate slope • Create appropriate joint ventures with Crossroads and North Park Redevelopment Projects 	2005-2009

PARK AND OPEN SPACE AREA IMPROVEMENTS		
Project/Program	Description	Fiscal Year
Auburn Creek Parks Near 52nd and University	<ul style="list-style-type: none"> • Restore and enhance Auburn Creek consistent with the Chollas Creek Enhancement Program 	2006-2008
Azalea Park / Hollywood Park	<ul style="list-style-type: none"> • Develop expanded park and recreational facilities and Americans with Disability Act compliance • Fund projects identified in the Hollywood/Azalea Park Improvement Priority List 	2006-2007
Central Avenue Sliver	<ul style="list-style-type: none"> • Develop passive and recreational opportunities 	2006
Hollywood Canyon	<ul style="list-style-type: none"> • Improve the trail system and canyon restoration 	2007-2009
Home Avenue Park	<ul style="list-style-type: none"> • Restore and enhance Auburn Creek consistent with the Chollas Creek Enhancement Program • Develop passive and recreational opportunities 	2006-2009
Hoover Community Stadium	<ul style="list-style-type: none"> • Support facility improvements 	2006
Joint Use Fields	<ul style="list-style-type: none"> • Establish and improve fields at all schools including those already in use and at schools to be constructed 	2006-2009

PARK AND OPEN SPACE AREA IMPROVEMENTS		
Manzanita Canyon	<ul style="list-style-type: none"> Develop Manzanita Canyon Open Space area with passive and active recreational uses, including project participation from Friends of Manzanita Canyon, the Azalea Park RAP, and Florence Griffith-Joyner Joint Use Agreement Model School Plan Canyon restoration, entryways, trails and erosion control 	2005
Neighborhood Pocket Parks	<ul style="list-style-type: none"> Identify potential pocket park sites and develop passive and recreational opportunities 	2007-2008
Open Space Areas and Canyon Improvements	<ul style="list-style-type: none"> Restore habitat, hillsides, and creek beds Purchase property to be used for parks or open space or both Construct pathways improvements, signage, and educational displays 	2005-2009
Park de la Cruz Extension	<ul style="list-style-type: none"> Establish joint use fields with San Diego Unified School District and Copley YMCA 	2005-2006
Swan Canyon Restoration	<ul style="list-style-type: none"> Implement the Swan Canyon Neighborhood Association plan 	2008-2009
Teralta Park	<ul style="list-style-type: none"> Create and enhance comfort station, and walkways, bikeways to University Avenue 	2007-2009
Tot Lots	<ul style="list-style-type: none"> New and refurbished for Americans with Disability Act compliance 	2005-2009

PUBLIC PRIVATE PARTNERSHIP IMPROVEMENTS		
Project/Program	Description	Fiscal Year
Boys and Girls Club	<ul style="list-style-type: none"> Establish a Boys and Girls Club 	2005-2009
Child Care Centers	<ul style="list-style-type: none"> Establish in large commercial and large residential developments 	2005-2009
Citizen Board Training	<ul style="list-style-type: none"> Training for PAC members and community groups as it relates to redevelopment 	2005-2009
Grant Writing	<ul style="list-style-type: none"> Assign task to write grants and seek out additional sources of funding 	2005-2009
Job Creation	<ul style="list-style-type: none"> Attract businesses that create higher paying jobs for local residences Write and implement a job creation study and implementation plan Attract and foster the expansion of businesses that create higher paying jobs for local residents, such as technology, medical, manufacturing and others 	2005-2009
Joint Use Libraries	<ul style="list-style-type: none"> Encourage San Diego Unified School District and the City of San Diego to arrange joint use of school libraries as community branch libraries 	2005-2009

PUBLIC PRIVATE PARTNERSHIP IMPROVEMENTS		
Marketing Plan	<ul style="list-style-type: none"> Develop a strategic plan with the community to market key areas of the project for development 	2005-2009
Model School Joint Powers Agreement	<ul style="list-style-type: none"> Participate in the City Heights Model School Project and / or the alternative site 	2005-2009
Multi-Cultural Arts Center	<ul style="list-style-type: none"> Develop a self-sustaining facility that showcases and encourages the artistic expression of the community while being a draw to patrons both inside and outside the community 	2005-2009
Pilot Village	<ul style="list-style-type: none"> Pilot Village Phase I - Normal Heights Pilot Village Phase II - Kensington 	2005-2009
Public Meeting Rooms	<ul style="list-style-type: none"> Encourage the inclusion of public meeting rooms in large developments 	2005-2009
Renewal Community Initiative	<ul style="list-style-type: none"> Work to have City Heights included within Renewal Community Initiative 	2005-2009
Joint Venture	<ul style="list-style-type: none"> Form appropriate joint ventures with Crossroads Redevelopment Project and the North Park Redevelopment Projects 	2005-2009

PUBLIC FACILITIES		
Project/Program	Description	Fiscal Year
Fire Station	<ul style="list-style-type: none"> Enlarge or replace existing Fire Stations to better serve the community 	2005-2009
Parking facilities	<ul style="list-style-type: none"> Install parking lots and structures 	2005-2009
Permanent Police Storefronts	<ul style="list-style-type: none"> Cooperate with the city to utilize, maintain, and increase police services sited in the community to eliminate blight Foster public safety and the removal of blight conditions by funding the construction and improvement of police storefronts 	2005-2009
Post Office	<ul style="list-style-type: none"> Attract and site a new Post Office and retail outlets sufficient to service the community 	2005-2009
Transportation Improvements and Create Linkages	<ul style="list-style-type: none"> Support the implementation of I-15 Fixed Rail El Cajon and University bridge deck improvements 	2005-2009
Five Year Implementation Plan	<ul style="list-style-type: none"> Allocate funds for the preparation, publication, and distribution of a high quality multi-color implementation plan 	2009

V. EXPLANATION OF HOW THE GOALS AND OBJECTIVES, PROJECTS AND EXPENDITURES WILL ELIMINATE PROJECT BLIGHTING CONDITIONS

Implementation of projects and programs as described in the Project Matrix will reconfigure and consolidate poorly configured lots to allow for private investment and redevelopment of the land to remove blighting conditions and put them into productive use. Assistance of housing projects and housing programs will provide for rehabilitation or replacement of deteriorated structures, removal of code violations, relief of overcrowding conditions, and an increase of home-owner occupancy within the project area. Support for public facilities projects will reduce deficiencies in schools, parks, health care facilities, and public infrastructure facilities. Strategic redevelopment projects, marketing programs, public facilities improvements and assistance of local community organizations and other public service agencies will improve the community image, provide employment opportunities for local residents, strengthen the economic vitality of local commercial districts, improve property values, and encourage further investment in the area by property owners and tenants. These programs are also expected to have a positive influence on social conditions in the area.

VI. EXPLANATION OF HOW THE GOALS AND OBJECTIVES, PROJECTS AND EXPENDITURES WILL IMPLEMENT PROJECT HOUSING REQUIREMENTS

A. GOALS AND OBJECTIVES

California Community Redevelopment Law requires that not less than 20 percent of all tax increment revenues generated by the project shall be used for the purpose of increasing the community's supply of Very Low, Low, and Moderate income housing. Additionally, affordable dwelling units shall remain affordable for not less than the period of land use controls established in the project plan (40 years from Redevelopment Plan adoption in 1992). The Redevelopment Project's ongoing goal is to develop, rehabilitate and make available housing in compliance with current legislation with available project resources. Additional goals include improving existing housing in the redevelopment project area while maintaining its affordability, supporting increased home owner occupancy, supporting housing projects by local private companies and non-profit organizations and supporting the establishment of a well balanced mixture of housing types in the area, including a balanced mixture of housing affordability.

B. PROJECTS AND EXPENDITURES TO BE MADE DURING THE NEXT FIVE YEARS

As shown in Paragraph IV, Table 1, over the next five years a total of \$7,394,400 in affordable housing set-aside tax increment funds are projected to be received for the City Heights Redevelopment Project Area. These funds are projected to be received in steadily increasing annual amounts, from an estimated amount of \$1,338,200 in Fiscal Year 2005 to an estimated annual allocation of \$1,626,590 in Fiscal Year 2009. This plan considers the housing programs to be carried out over the next five years by using both the available housing set-aside tax increment funds and other outside resources, that in most cases will be provided by entities independent from the City of San Diego and its Redevelopment Agency. If tax increment revenues are received in larger amounts than

currently anticipated, additional dwelling units could be constructed and improved, especially if the revenue stream is large enough to support the issuance of a bond. Issuance of a bond would allow the acceleration of the affordable housing improvement and development programs and should be pursued, if feasible.

1. ANNUAL (FIVE YEAR) HOUSING PROGRAM

a. Projected Housing Units

- **Number of Housing Units to be Developed**

No specific projects for the development of housing units have been identified, but the tax increment housing set-aside funds are expected to be applied to assist the provision of high quality affordable housing within the project area. If an average of \$60,000 per unit of assistance were provided by the housing set-aside funds, a total of 123 units could be developed within the project area with the housing set-aside funds projected to be received by the Redevelopment Agency for the City Heights Redevelopment District over the next five years. The actual number of units to be developed will depend on market conditions and the specific projects and programs that will be brought forward.

- **Number of Housing Units to be Price Restricted**

Not applicable at this time.

- **Number of Housing Units to be Otherwise Assisted**

In 2001, the First Time Homebuyers Program was established to assist residents of City Heights Redevelopment Project Area. The program was specifically designed to assist residents displaced by new public schools and redevelopment projects, to purchase and occupy homes within the City Heights Redevelopment Project Area. Participants' household income may not exceed 100 percent of the San Diego Region median income.

The Housing Rehabilitation Program was initiated in 2003 to facilitate the improvement of owner occupied units, to provide those individuals an alternative solution to improving their homes. The program is available to owner-occupants of one- and two-unit properties, whose gross household income is no greater than 100 percent of the Median Area Income.

An identified goal and proposed activity for the City Heights Redevelopment Project Area over the next five years is to assist local private companies and non-profit agencies in housing programs within the project area, such as housing rehabilitation, first time homebuyer assistance, affordable housing development, and establishment of housing cooperatives. Agency financial

assistance and other support for these outside organization programs will also contribute to the provision of affordable housing within the redevelopment project area.

b. Description of Agency Plans for Using Annual Deposits in the Low/Moderate Income Housing Fund

• **Funds to be Made Available Annually**

Estimated projections of annual Low/Moderate income housing set-aside funds to be received for the redevelopment project area for the next five years are as follows:

FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
\$1,338,200	\$1,405,110	\$1,475,366	\$1,549,134	\$1,626,590

All of these funds are expected to be used to meet the Agency's housing obligations and are expected to be spent on projects and programs within the project area. Funds will be expended as opportunities for housing assistance are identified. Expenditures are expected to increase proportionately with the increase in funding.

• **Funds to be Transferred to the Housing Authority**

All of the funds are anticipated to be expended within the redevelopment project area and are not anticipated to be transferred to the San Diego Housing Commission. However partnering with the Housing Commission on specific housing assistance projects would be considered.

• **Development of Housing to Match Income Level Needs**

California Community Redevelopment Law requires that the Agency expend Low and Moderate Income Housing funds to assist in the development of housing affordable to very low and low income persons as each of those needs have been identified in the most recent determination pursuant to Government Code Section 65584 (of the regional share of the statewide housing need). The Agency shall determine compliance based on estimates of housing need for persons of moderate, low, and very low-income as published in the City of San Diego's General Plan Housing Element. According to the FY 1999 to 2004 Housing Element, the proportional share of housing need in San Diego is 39% moderate-income (9,137 unity city-wide), 29% low-income (6,797 units city-wide), and 32% very low-income (7,463 units city-wide).

• **Low and Moderate Income Housing Funds to Assist All Persons**

Over the duration of the Implementation Plan, California Community Redevelopment Law requires the Agency to expend monies in the Low and

Moderate Income Housing Fund to assist housing that is available to all person regardless of age in at least the same proportion as the population under age 65 bears to the total population of the community as reported in the most recent census of the United States Census Bureau. According to the 2000 U.S. Census, a total of 89% of the population in the City of San Diego is under age 65. Therefore, at least 89% of the Agency's Low and Moderate Income Housing Fund would have to be utilized to assist in the development of housing that is available to all persons regardless of age.

- **Compliance with the Housing Element of the General Plan and Progress Guide**

The provisions of Section 33413(b)(4) of the California Community Redevelopment Law require the Agency to adopt and periodically update a plan to ensure compliance with the existing criteria of Section 33413(b) of the California Community Redevelopment Law regarding the affordability mix of new or substantially rehabilitated housing units ("Housing Compliance Plan"). The Community Redevelopment Law further requires that this Housing Compliance Plan be prepared as part of the implementation plan required by Section 33490 of the Community Redevelopment Law. This Housing Compliance Plan must be consistent with the jurisdiction's housing element and must also be reviewed and, if necessary, amended at least every five (5) years with either the housing element cycle or the implementation plan cycle. An ongoing goal in the Project Area is to use available Project resources to develop housing in compliance with current legislation.

- **City of San Diego Redevelopment Agency's Affordable Housing Program**

The Redevelopment Agency, comprised of the City's Redevelopment Division, Centre City Development Corporation (CCDC) and Southeastern Economic Development Corporation (SEDC), has formed a collaborative with the San Diego Housing Commission to accelerate and encourage new affordable housing development citywide. In January 2003, leveraging Redevelopment set-aside funds, the collaborative issued a Notice of Funding Availability (NOFA) announcing the availability of \$55 million of secured assets to provide gap financing for very low, low and moderate income housing. The City Heights Redevelopment project area, along with the 15 other redevelopment project areas in San Diego, is eligible to participate in this program both financially and with proposed projects. The Program has so far generated significant interest from developers, and as the funds are committed during 2004, the Agency will consider issuing another such notice perhaps by 2005.

2. IDENTIFICATION OF PROPOSED LOCATIONS SUITABLE FOR ANY REQUIRED REPLACEMENT DWELLING UNITS

If housing units are displaced by redevelopment projects in the City Heights area, they could be suitably replaced by new units developed with Agency assistance. Suitable available new units to be considered as replacement housing could be so designated if a redevelopment project in the City Heights area is designated through a Disposition and Development Agreement or the approval of a public improvement project that would displace existing dwelling units.

3. ESTIMATES OF TOTAL HOUSING UNITS TO BE DEVELOPED

This Implementation Plan, as required by California Community Redevelopment Law, shall estimate the number of new and rehabilitated dwelling units to be developed in the Project Area and the number of units for Very Low, Low and Moderate Income households to be developed in order to meet inclusionary housing requirements. The inclusionary housing requirements state that: 1) Fifteen percent (15%) of all new or substantially rehabilitated dwelling units developed in a redevelopment project area by public or private entities other than the Agency should be affordable to Low and Moderate Income households, of which forty percent (40%) shall be available at affordable housing cost to Very Low Income households, and 2) Thirty percent (30%) of all new and substantially rehabilitated dwelling units developed by the Agency shall be affordable for Low and Moderate Income households and of those units not less than fifty percent (50%) shall be affordable for Very Low Income households.

a. Number of New or Rehabilitated Residential Units to be Developed in the Project Area

- **Life of the Redevelopment Plan Projection of Total Residential Units**

It is estimated that during the life of the Redevelopment Plan (until the year 2032) between 1,500 and 2,000 residential units will be developed. The Second Implementation Plan estimated 500 to 1,000 new dwelling units to be developed during the life of the plan. However, during the Second Implementation Plan, an increased interest in housing development in the project area has continued. A number of the new units will likely replace existing units that become no longer salvageable because of age and deferred maintenance. In addition to new units, significant activity is anticipated during the life of the plan in the rehabilitation of existing dwelling units. It is estimated that between 1,500 and 3,000 dwelling units will be substantially rehabilitated within the redevelopment project area during the life of the plan.

- **Ten Year Projection of Total Residential Units**

Over the next ten years it is estimated that a range of between 700 and 1,000 new residential units will be developed. In addition, it is estimated that between 500 and 1,000 dwelling units will be rehabilitated in the next ten years.

b. Estimates of the Number of Very Low, Low and Moderate Income Units Required to be Developed

- **Life of the Redevelopment Plan**

In accordance with the inclusionary housing requirements and assuming the housing projection numbers provided in section 3.a., above, the total number of developed and rehabilitated housing units required to be made available for Very Low, Low and Moderate Income households would be an estimated range of between 450 and 750. Of these totals the number that would be required to be made available at affordable cost to Very Low Income households would be an estimated range of between 180 and 300. It is anticipated that these requirements will be met within the project area. These numbers could be higher if tax increment revenues are higher than currently anticipated.

- **Ten Year Projection**

To meet the inclusionary housing requirements, the total number of developed and rehabilitated dwelling units in the next ten years, as described in section 3.a., that would be required to be made available at affordable cost to Very Low, Low and Moderate Income households would be an estimated range of between 180 and 300. Of these totals the number that would be required to be made available at affordable cost to Very Low Income households would be an estimated range of between 72 and 120. It is anticipated that these requirements will be met within the project area.

c. Number of New Very Low, Low and Moderate Income Units which Have Been Developed in the Project Area

- **Current Status**

One hundred fifty four (154) new Very Low, Low and Moderate Income housing units have been developed in the project area with Agency assistance. The Agency has also provided financial assistance for the rehabilitation of dwelling units within the project area through the creation of the City Heights Housing Rehabilitation Loan Program.

d. Estimates of the Number of Agency Developed Residential Units to be Developed During the Next Five Years

It is not expected that the Agency itself will develop any Very Low, Low and Moderate Income housing units. Agency resources are anticipated to be used to assist other agencies and private parties to develop and improve affordable housing in the redevelopment project area.

e. Compliance with the General Plan and Progress Guide Housing Element

The provision of Very Low, Low and Moderate Income housing units as described in this Implementation Plan conforms with the stated goals and objectives of the City of San Diego General Plan and Progress Guide Housing Element.

VI. SUMMARY

This Third Implementation Plan for the City Heights Redevelopment Project establishes a framework and guideline for the next five years of activity by the City of San Diego Redevelopment Agency. It is anticipated that the Agency will act in the lead on some projects but will primarily provide assistance to numerous other parties, including private property owners, businesses, community organizations, private non-profit housing agencies, other public agencies and local residents in the pursuit of redevelopment goals and objectives for improvement of the redevelopment project area. A number of project opportunities have been identified and are expected to be pursued in the next five years. Some significant improvements have already been accomplished, but significant blighting conditions remain in the project area. This plan provides a guide for improving those conditions.